

BOULDER STEEL LIMITED

A.C.N 009 074 588

Level 2, 16 Byfield Street, Macquarie Park, NORTH RYDE NSW 2113
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12 February 2009

Dear Member

Two general meetings of Boulder Steel Limited being held on Wednesday 18 March 2009

I am writing to you about the two General Meetings that have been called by the Directors for Wednesday 18 March 2009.

The first General Meeting

The first General Meeting will be held at 11.00 am. The purpose of the first General Meeting is twofold:

- (a) to consider a resolution for my re-election as a director;
- (b) to consider two resolutions relating to the approval of the issue of up to 250,000,000 options expiring on 31 March 2012 to subscribe for ordinary shares in the capital of the Company on terms more fully described in the notice of meeting.

The Company has circulated a Notice of Meeting and a Proxy Form, under cover of this letter.

The second General Meeting

The second General Meeting will be held at 12.00 pm, following the conclusion of the first General Meeting. The second General Meeting has been requisitioned under section 249D of the Corporations Act 2001 by Reynolds (Nominees) Pty Limited and Bell Potter Nominees Ltd, both acting as nominees for Mr Albert Arnold, and First Cape Management Pty Ltd (the **Requisitioning Members**). The Requisitioning Members together hold approximately 5.4% of the shares in the capital of the Company.

For personal use only

The Requisitioning Members gave identical notices to the Company of their request that the Directors call and arrange to hold a general meeting of the Company. As part of this request, the Requisitioning Members proposed resolutions that:

1. Mr Theofanis Katapodis be removed; and
2. Mr Dieter Hopf be appointed,

as a director of the Company with immediate effect.

In accordance with section 249D of the Corporations Act, the Directors have called and arranged to hold the general meeting. The Company has circulated a Notice of Meeting, a Proxy Form and an Explanatory Memorandum, under cover of this letter. The information in the Explanatory Memorandum is provided to enable you to make an informed decision about the subject matter of the meeting.

Your vote is important

I urge you to attend both of the General Meetings and cast your vote. If you are unable to attend either of the General Meetings in person, you may appoint a proxy to record your vote.

The Proxy Form without a blue band is for the first General Meeting and the Proxy Form with a blue band is for the second General Meeting.

If you do not intend to attend the General Meetings, please complete **BOTH** proxy forms and return them to Computershare in the attached pre paid envelope. Alternatively you can fax the completed Proxy Forms to Computershare on fax number 1800 783 447 (from within Australia) or +61 3 9473 2555 (from outside Australia).

Further details of the voting arrangements for each General Meeting are to be found in the documents attached to this letter.

Yours faithfully

Richard Martin
Chairman

Boulder Steel Limited
ACN 009 074 588
(Company)

NOTICE OF SECOND GENERAL MEETING

NOTICE IS GIVEN THAT A GENERAL MEETING OF THE MEMBERS OF BOULDER STEEL LIMITED WILL BE HELD AT, AND TO CONDUCT THE BUSINESS SPECIFIED, BELOW:

DATE:	Wednesday, 18 March 2009
TIME:	12.00 pm
LOCATION:	Stamford Grand Hotel, cnr. Epping and Herring Roads, North Ryde NSW 2113

BUSINESS

RESOLUTION 1 – TO REMOVE A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Theofanis Katapodis be removed as a director of Boulder Steel Limited with immediate effect.”

RESOLUTION 2 – TO APPOINT A DIRECTOR

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

“That Mr Dieter Hopf be appointed as a director of Boulder Steel Limited with immediate effect.”

An explanation of the reasons for these resolutions is provided in the Explanatory Memorandum accompanying this Notice of Meeting.

Proxies

A member entitled to attend and vote at the meeting is entitled to appoint not more than two proxies. A proxy need not be a member of the Company. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the member's voting rights.

The proxy form must be signed by the member or the member's attorney, duly authorised in writing. Proxies given by corporations must be signed either under seal or under the hand of its attorney, director or secretary.

To be valid, the proxy form and the power of attorney (if any) under which it is signed (or a certified copy of it) must be either:

- delivered by post in the reply paid envelope to Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001
- faxed to Computershare by fax number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

not less than 48 hours before the time for holding the meeting. A proxy form accompanies this Notice of Meeting.

In accordance with Corporations Regulation 7.11.37, the Board has determined that for the purposes of the meeting, shares will be taken to be held by the persons who are registered holders at 7 pm (Sydney time) on Monday, 16 March 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Mr Richard Martin, the Chairman of the Company, will chair the meeting. Persons intending to lodge undirected proxies should note that Mr Martin is associated with one of the members that have requisitioned the meeting, First Cape Management Pty Ltd. Mr Martin will cast any undirected proxies **for** each of the resolutions.

If, for any reason, Mr Martin is unable to chair the meeting, an alternative Chairman will be appointed in accordance with the Constitution. The alternative Chairman may cast any undirected proxies at their discretion.

By Order of the Board

Daniel Owen
Company Secretary
Boulder Steel Ltd
12 February 2009

EXPLANATORY MEMORANDUM

1. INTRODUCTION

1.1 Defined terms

Defined terms used in this Explanatory Memorandum have capital letters. Their meaning is set out in the Glossary in section 6.

1.2 Overview of the meeting

The General Meeting has been requisitioned by three Members (the **Requisitioning Members**) under section 249D of the Corporations Act. Section 249D of the Corporations Act provides that the directors of a company must call and arrange to hold a general meeting on the request of members holding at least 5% of the votes that may be cast at a general meeting.

On 6 February 2009, the Company received the following letters:

- (a) a letter dated 4 February 2009 from Reynolds (Nominees) Pty Limited, which holds 9,529,048 Shares as nominee for Mr Albert Arnold;
- (b) a letter dated 5 February 2009 from Bell Potter Nominees Ltd, which holds 10,056,825 Shares as nominee for Mr Albert Arnold;
- (c) a letter dated 5 February 2009 from First Cape Management Pty Ltd, which holds 6,556,238 Shares.

Under these letters, the Requisitioning Members gave notice to the Company of their request that the Directors call and arrange to hold a general meeting of the Company. The Requisitioning Members together hold approximately 5.4% of the Shares.

Under these letters, the Requisitioning Members also gave notice under section 203D of the Corporations Act of their intention to move a resolution for the removal of a director. The Requisitioning Members proposed resolutions that:

- (a) Mr Theofanis Katapodis be removed,
- (b) Mr Dieter Hopf be appointed,

as a director of the Company with immediate effect.

On 6 February 2009, the Company also received a separate letter dated 4 February 2009 from Reynolds (Nominees) Ltd giving notice to the Company under rule 11.3(a) of the Constitution, of the nomination of Mr Dieter Hopf to the Board.

1.3 Purpose of the Explanatory Memorandum

This Explanatory Memorandum has been prepared to provide Members with material information to enable them to make an informed decision in respect of the business to be conducted at the General Meeting.

This Explanatory Memorandum (together with the Notice of General Meeting) also provides Members with the information required to be provided to Members under the Corporations Act.

1.4 Approval of the Explanatory Memorandum

This Explanatory Memorandum has been approved for circulation by the Board.

1.5 Abstentions and recommendations of Directors

Mr Katapodis has not made a recommendation with respect to the resolutions numbered 1 and 2.

Mr Martin, Mr Moser and Mr von Schnakenburg, as Directors without a material personal interest in the outcomes of the resolutions numbered 1 and 2, each recommends that Members vote **for** resolutions numbered 1 and 2.

Mr Richard Martin is associated with one of the Requisitioning Members, First Cape Management Pty Ltd.

2. BOARD COMPOSITION

The Board is currently comprised as follows:

- (a) Mr Richard Shubrick Martin (Non-executive Chairman);
- (b) Mr Carl Ulrich Moser (Executive Director and General Manager of the Company);
- (c) Mr Joachim von Schnakenburg (Non-executive Director and Chief Technical Advisor); and
- (d) Mr Theofanis Katapodis (Non-executive Director).

3. VOTING ARRANGEMENTS

3.1 Eligibility to vote

The Board has determined that a Member's entitlement to vote at the General Meeting will be the entitlement of that Member as set out in the Register as at 7.00 pm (Sydney time) on Monday, 16 March 2009. This means that if you are not the registered holder of a Share at that time, you will not be entitled to vote at the meeting.

3.2 Voting

At any general meeting, a resolution put to the vote of the general meeting must be decided on a show of hands unless a poll is demanded in accordance with rule 10.11 of the Constitution.

Under rule 10.11 of the Constitution, a poll may be demanded before a vote is taken or before or immediately after the declaration of the result of a resolution decided on a show of hands by:

- (a) the Chairman of the general meeting;
- (b) at least 5 Members entitled to vote on the resolution; or
- (c) any one or more Members who are together entitled to at least 5% of the votes that may be cast on the resolution.

On a poll, each Member present:

- (a) has one vote for each fully paid share held; and
- (b) for each other share held, has a fraction of a vote equivalent to the proportion which the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited) for the share. When calculating this proportion, amounts paid in advance of a call are to be ignored.

3.3 Voting in person

If you are a Member, you may attend the meeting and cast your vote.

Please ensure that you bring to the meeting a form of identification bearing your name, to allow the Company to check the shareholding against the Register and to note attendances.

In order to vote in person at the meeting, a corporation that is a Member may appoint an individual to act as its representative. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the meeting evidence of their appointment, including any authority under which it is signed.

Members who plan to attend the meeting are asked to arrive at the venue 30 minutes prior to the time designated for the meeting, if possible, to have names checked against any registers and to have their attendances noted.

3.4 Voting by proxy

If you are a Member, but unable to attend the meeting, you may appoint a proxy to vote on your behalf. You may do this by completing and returning the attached proxy form to the Company in one of the following ways:

- delivered by post in the reply paid envelope to Computershare Investor Services Pty Limited GPO Box 242 Melbourne Victoria 3001
- faxed to Computershare by fax number 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)

For the appointment of a proxy to be effective for a meeting, the following documents must be received by Computershare at least 48 hours before the meeting:

- the proxy's appointment; and
- if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed or a certified copy of the authority.

3.5 Approval of resolutions

In order to be approved, each resolution must be passed by a majority in number of the Members present and voting (either in person or by proxy) at the General Meeting.

4. STATEMENT OF MR THEOFANIS KATAPODIS UNDER SECTION 203D(4) OF THE CORPORATIONS ACT

Section 203D(4) of the Corporations Act entitles a director who is to be subject to a resolution for removal as a director to put their case to members by giving the

company a written statement for circulation to members, and speaking to the motion at the meeting.

At the date this document was finalised, the Company had not received any statement from Mr Katapodis under section 203D(4) of the Corporations Act.

5. INFORMATION CONCERNING MR DIETER HOPF

The Company has received the following information regarding Mr Hopf.

Mr Hopf, a German national residing in Oldenburg, Germany, has had more than 20 years experience as a business economist, corporate trainer and management consultant.

Since completing his Bachelor of Business degree at Cologne in 1986, he has been a freelance lecturer in economics at one of the largest business schools in Germany.

Simultaneously he worked as a management consultant for medium-sized companies as project manager and in the areas of claim management (both in the EU and the US), IT projects (Y2K change), marketing, debtor controlling and personal coaching.

6. GLOSSARY

In this Explanatory Memorandum, the following definitions apply, unless the context requires otherwise. The singular includes the plural, and the converse also applies.

Term	Definition
Board	the Directors from time to time of the Company.
Chairman	the person elected by the Board to the office of Chairman from time to time in accordance with rule 10.4 of the Constitution.
Company	Boulder Steel Limited (ABN 78 009 074 588).
Constitution	the constitution of the Company as altered or added to from time to time.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	a person appointed or elected from time to time to the office of Director of the Company in accordance with the Constitution and includes any alternate Director duly acting as a Director.
Member	a person recorded in the Register as the holder of one or more Shares and includes any person who is a member of the Company in accordance with or for the purposes of the Corporations Act.
Register	the register of members kept by the Company in

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Term	Definition
	accordance with section 169 the Corporations Act.
Registered Office	the registered office of the Company.
Requisitioning Members	Reynolds (Nominees) Pty Limited (as nominee for Mr Albert Arnold), Bell Potter Nominees Ltd (as nominee for Mr Albert Arnold) and First Cape Management Pty Ltd
Share	share in the capital of the Company.

Boulder Steel Limited

ABN 78 009 074 588

Lodge your vote:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

000001 000 BGD
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form - Second General Meeting

For your vote to be effective it must be received by 12.00pm (Sydney time) Monday 16 March 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

Turn over to complete the form →



View your securityholder information, 24 hours a day, 7 days a week:

www.investorcentre.com

- Review your securityholding
- Update your securityholding

Your secure access information is:

SRN/HIN: I9999999999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form - Second General Meeting

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Boulder Steel Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of Boulder Steel Limited to be held at Stamford Grand Hotel, cnr. Epping and Herring Roads, North Ryde NSW 2113 on Wednesday, 18 March 2009 at 12.00pm and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 To remove Theofanis Katapodis as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 To appoint Dieter Hopf as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date / /

BGD

999999A

Computershare +